

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7512

BILL NUMBER: SB 566

NOTE PREPARED: Feb 25, 2005

BILL AMENDED: Feb 24, 2005

SUBJECT: Medical Informatics Commission.

FIRST AUTHOR: Sen. Dillon

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill establishes the Medical Informatics Commission. It requires the Commission to conduct a study or contract for a study to be conducted on health care information and communication technology.

The bill also requires the Commission to provide two progress reports and a final report to the General Assembly concerning a plan and recommendations on the creation, implementation, and maintenance of a health care information and communication technology system. The bill requires the Commission to hold a public hearing before providing the final report to the General Assembly.

The bill also requires the Office of the Secretary of Family and Social Services to provide staff for and pay the expenses of the Commission if the Budget Agency determines there is funding.

Effective Date: July 1, 2005.

Explanation of State Expenditures: (Revised) The 14-member Medical Informatics Commission established by the bill would conduct or contract for a study of health care information and communication technology in Indiana. Commission members who are not state employees would not be paid a salary per diem. Members who are state employees may be paid travel and other expenses if the State Budget Agency determines funds are available. The Office of the Secretary of Family and Social Services is required to provide administrative support to the Commission and should be able to cover any additional administrative costs related to administrative support within the Department's existing resources. The total cost for meetings of the Commission would depend on the number of meetings, the location, and the number of members attending.

The Commission would establish a plan for the creation of a uniform statewide health care information and communication technology system including a plan for developing and implementing a health care information infrastructure.

If the State Budget Agency determines that sufficient funds are available, the bill requires the Commission and the Office of the Secretary to conduct or contract for a study of health care information and communication technology in Indiana. It is estimated that a study could cost between \$10,000 and \$400,000, depending on whether the study is conducted in-house or performed by a contractor. The cost of this provision would ultimately depend upon the complexity of the study and the contractor, if any, selected. The bill specifies that the Commission may investigate the feasibility of obtaining a governmental or private grant to assist with the cost. Otherwise, these costs would be funded through savings achieved in existing state General Fund appropriations as determined by the Budget Agency.

The bill requires that the Office of the Secretary supervise and coordinate any contract awarded for a study and provide two progress reports to the Legislative Council before January 1, 2006 and before July 1, 2006. A final report is due by November 1, 2006. The Commission is required to hold at least 1 public meeting at a central location in order to take public comments on the plan.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of the Secretary of Family and Social Services; State Budget Agency; State Department of Health.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Kathy Norris, 317-234-1360.